GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3858
ANSWERED ON:22.08.2003
SIMPLIFYING TAX SYSTEM
PADAMSEN CHAUDHARY

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have recently taken a number of decision to simplify and streamline to tax system with the objective to protect the tax-payees from harassment;

(b) if so, the details thereof;

(c) whether there is a proposal to appoint lokpal in order to improve the image of the revenue department and for expeditious disposal of complaints; and

(d) if so, the time by which a final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) & (b) Rationalisation and simplification of Tax Laws is an ongoing process. The attempt of the Government is always to make such changes in tax laws, which are consumer friendly and protect taxpayers from avoidable harassment. These include substantial reduction in interface of assessees with the officers by introduction of self-assessment by the assessees, extension of maximum retail price based assessment; establishment of Settlement Commission for resolutionof disputes; introduction of Electronic Data Interchange system in major Customs Stations; speedydisbursement of duty drawback on exports; introduction of simplified Income Tax returns forms, scheme of bulk filing of returns by employers on behalf of employees; enabling electronic filing of returns through intermediaries; providing free software for easy preparation of returns through `Sampark` Scheme; better tax payer service provided by issue of refunds in time bound manner; abolition of requirement of clearance certificates; etc.

(c) So far as Direct Taxes are concerned, proposal to appoint Income-tax Ombudsman for more effective redressalof grievances of taxpayers, is under consideration of the Government. However, no such proposal is under consideration of Government with regard to Indirect Taxes.

(d) As the proposal is still under consideration, it may not be possible to indicate a precise time frame with respect to Direct Taxes.